1 Honorable Benjamin H. Settle 2 3 4 5 UNITED STATES DISTRICT COURT 6 WESTERN DISTRICT OF WASHINGTON AT TACOMA 7 8 TRAVELERS PROPERTY CASUALTY No. 3:17-cv-05098-BHS COMPANY OF AMERICA, a foreign insurance company; THE PHOENIX 9 INSURANCE COMPANY, a foreign PROPOSED NEUTRAL STATEMENT insurance company, 10 **OF THE CASE** Plaintiff. 11 V. 12 NORTHWEST PIPE COMPANY, a Washington corporation; and GREATER 13 VANCOUVER WATER DISTRICT, a British Columbian statutory corporation, 14 Defendant. 15 NORTHWEST PIPE COMPANY, a 16 Washington corporation 17 Counterclaim Plaintiff, 18 V. 19 TRAVELERS PROPERTY CASUALTY COMPANY OF AMERICA, a foreign 20 insurance company; THE PHOENIX INSURANCE COMPANY, a foreign 21 insurance company, 22 Counterclaim Defendant. 23

PROPOSED NUETRAL STATEMENT- 1 No. 3:17-cv-05098-BHS

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The Court requested that the parties provide a joint neutral statement of the case to read to the jury at the outset of trial in this action. As the parties were unable to agree, Counterclaim Defendants Travelers Property Casualty Company of America and The Phoenix Insurance Company (Travelers) proposes the following neutral statement to be read to the jury:

This is an insurance coverage action arising from an underlying litigation in British Columbia, Canada filed on August 5, 2015. Travelers insured Northwest Pipe. Northwest Pipe tendered a claim to Travelers for defense and indemnity coverage under its general liability policy on July 28, 2016. Travelers agreed to defend Northwest Pipe in the underlying litigation under a Reservation of Rights letter issued on October 26, 2016.

Travelers then filed a Complaint for Declaratory Judgment on February 8, 2017. Northwest Pipe has alleged extra-contractual claims against Travelers including breach of contract, bad faith, and violations of the Consumer Protection Act. Travelers disagrees with Northwest Pipe's allegations and asserts that it has acted reasonably in all aspects of handling the claim made by Northwest Pipe.

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PROPOSED NUETRAL STATEMENT- 2 No. 3:17-cv-05098-BHS

Dated this 2nd day of January, 2019 1 2 LETHER & ASSOCIATES, PLLC 3 s/ Thomas Lether Thomas Lether, WSBA #18089 4 Eric J. Neal, WSBA #31863 5 Lether & Associates, PLLC 1848 Westlake Ave N., Suite 100 Seattle, WA 98109 6 P: 206-467-5444 7 F: 206-467-5544 tlether@letherlaw.com eneal@letherlaw.com 8 Attorneys for Travelers Property Casualty Company of America and the Phoenix Insurance 9 Company 10 11 12 13 14 15 16 17 18 19 20 21 22 23

PROPOSED NUETRAL STATEMENT- 3 No. 3:17-cv-05098-BHS

1 CERTIFICATE OF SERVICE 2 The undersigned hereby certifies under the penalty of perjury under the laws of the 3 State of Washington that on this date I caused to be served in the manner noted below a true 4 and correct copy of the foregoing on the parties mentioned below as indicated: 5 Richard Dykstra Kenneth R. Friedman Friedman | Rubin Friedman | Rubin 51 University Street, Suite 201 1126 Highland Avenue 6 Seattle, WA 98101 Bremerton, WA 98337 7 rdykstra@friedmanrubin.com kfriedman@friedmanrubin.com Counsel for Defendant Northwest Pipe Counsel for Defendant Northwest Pipe 8 Company Company Alexander E. Ackel Douglas Oles Angelia Wesch Friedman | Rubin Oles Morrison Rinker & Baker, LLP 10 51 University Street, Suite 201 Seattle, WA 98101 701 Pike Street, Suite 1700 aackel@friedmanrubin.com 11 Seattle, WA 98101 Counsel for Defendant Northwest Pipe oles@oles.com 12 Company wesch@oles.com Counsel for Defendant Greater 13 Vancouver Water District 14 By: ☐ First Class Mail \boxtimes ECF ☐ Legal Messenger 15 Dated this January 2, 2019 at Seattle, Washington. 16 17 s/ Elizabeth Kruh Elizabeth Kruh | Paralegal 18 19 20 21 22 23

PROPOSED NUETRAL STATEMENT- 4 No. 3:17-cv-05098-BHS